

July 3, 2002

**NOTICE OF SIGNIFICANT ADDITIONAL MATERIAL RELIED UPON
IN PROPOSED DETERMINATION OF A REVENUE REQUIREMENT
(California Code of Regulations Title 23 Section 513)**

The California Department of Water Resources ("the Department" or "DWR") has received written and verbal questions during the public review of its proposed determination of revenue requirements. Based on these inquiries and further analysis, the Department has adjusted estimates of Direct Access in each investor owned utility service area. The aggregate effect on the Department's draft determination of revenue requirements is small. The change is noted on the individual IOU load adjustments. A CD entitled ProSym Run 35 and dated July 1, 2002 is being sent via overnight delivery to persons who have executed Nondisclosure Agreements with the Department. In addition, the Department is reviewing information which will provide further support concerning the reasonableness of bond related costs and costs of long-term power purchase contracts included in the proposed determination of revenue requirements. The Department intends to provide this information to interested persons as a supplement to its proposed determination of revenue requirements no later than Monday, July 8, 2002. This information will be provided via U.S. Mail and electronic mail to every person who has filed a request for notice, via electronic mail to the distribution list of this electronic mail transmission, and posted on the Department's web site (www.water.ca.gov). The information shall also be available for review at the California Energy Resources Scheduling Division (CERS) of DWR, which is located at 3310 El Camino Avenue in Sacramento, California.

Pursuant to California Code of Regulations Title 23, Section 513(b), the Department is extending the comment period until July 15, 2002 for interested persons to submit comments on the proposed determination of revenue requirements and supplemental material upon which the Department intends to rely in making its determination. To be considered comments must be received at either of the following addresses by 5:00 P.M. on July 15, 2002:

Mailing address: Department of Water Resources
California Energy Resources Scheduling Division
3310 El Camino Avenue, Suite 120
Sacramento, CA 95821-9001
Attention: Mr. Richard Grix

E-mail address: cersforum@water.ca.gov

Comments must also satisfy the following requirements, as specified in section 515 of title 23 of the California Code of Regulations:

- A comment must be in typewritten form and must be clear and permanently legible.
- A comment must identify the determination that is the subject of the comment by referencing the deadline for submitting comments. The deadline for submitting comments in response to this notice is July 15, 2002.
- A comment must be signed. Comments submitted on behalf of a business or organization must be signed by a person authorized to comment on behalf of the business or organization, must include the name and title of the signatory, the date of signing, the signatory's business address, and the signatory's business telephone number. Comments submitted through electronic-mail will be considered by DWR only if an original, signed copy of the comment is received by DWR within three working days after the receipt of the electronic-mail comment.
- A signature on submitted testimony certifies that the signer has read the document and knows its contents; that to the signer's best knowledge, information, and belief, formed after diligent inquiry, the facts are true as stated; that any legal contentions are warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; that the testimony is not tendered for any improper purpose; and that the signer has full power and authority to sign the document.
- No documents or records submitted as testimony which purport to be statements of fact shall be considered by DWR unless the documents or records have been certified under penalty of perjury by the person preparing or in charge of preparing them as being true and correct.

New Material Relied Upon/Revised Proposed Determination. If DWR identifies significant material it intends to rely on in making its determination, which was not identified in the proposed determination or if DWR revises the proposed determination DWR will provide notice of such additional material or notice of proposed revised determination to the public and provide an opportunity for comment on the additional material.

Issuance of Determination/Requests for Reconsideration. After considering comments timely received and otherwise in conformance with the requirements of section 515 of title 23 of the California Code of Regulations DWR will issue a determination on the record by posting the determination on its website and mailing or electronically mailing a notice of posting as required by section 516(a) of title 23 of the California Code of Regulations. DWR will consider any request for reconsideration which is submitted within 3 working days of the posting of the determination on the DWR website only if the request satisfies the requirements of section 515 of title 23 of the California Code of Regulations, which are summarized above.

Final Determination. A determination is final if DWR does not revise the determination either as a result of reconsideration, or in response to comment after reconsideration and revision.